

**TRANSCRIPT OF THE JULY 14, 2022, BOARD MEETINGS OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY, THE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MORTGAGE AGENCY MORTGAGE INSURANCE COMMITTEE AND THE STATE OF NEW YORK MORTGAGE AGENCY FINANCE AND PROGRAM COMMITTEE**

Chairman Adams made a few comments prior to the commencement of the meeting.

He noted that some of the Directors had time constraints this morning and that as a result, in the interest of getting through the agenda as efficiently as possible, he was making a request to staff to make their presentations as efficient as possible.

He added that this kind of request made him feel a little sheepish because he does not want anyone on the staff of the agencies to think that if we go through an item in a hasty way there should be an inference from that regarding the Board's admiration of the work of staff and the Board's support of that work.

Chairman Adams noted that when we rush through an item this does not mean that we are not honoring the tremendous amount of work that staff puts into the presentations and the board memos provided to the Board. As a result, he wanted to pause and note for the record his appreciation for all the work staff does, which the Board and approximately 19 million people across New York State deeply appreciate.

With that, Chairman Adams asked Mr. Valella to open the meetings.

Alejandro J. Valella, Vice President and Deputy Counsel to the Agencies stated that he will now open the July 14, 2022 meeting of the Boards of the New York State Housing Finance Agency, the State of New York Mortgage Agency, the Affordable Housing Corporation, the State of New York Mortgage Agency Mortgage Insurance Committee, and the State of New York Mortgage Agency Finance and Program Committee and noted that the Governor has by Executive Order extended the exemption to the Open Meetings law that provides that public bodies may meet to take actions without permitting in public in-person access to such meetings and authorizes meetings to be held remotely by conference call, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed. Mr. Valella noted that the current exemption was effective through July 14<sup>th</sup>.

Mr. Valella also stated that the Board meeting would be held by conference call instead of as a public meeting open for the public to attend in person, and that a call-in number was made public for the public to listen to the proceedings.

Mr. Valella noted that because of these special features a change in voting procedures would be put in place for this meeting and he would be asking each Board member to record their votes individually.

Mr. Valella began with a motion to call the meeting of the SONYMA Board to order. Chairman Adams made the motion and Mr. Rodriguez seconded. Ms. Visnauskas voted aye; Mr. Ballan voted aye; Mr. Olczak voted aye; Mr. Kapell voted aye. Mr. Valella noted the presence of a quorum for SONYMA.

Mr. Valella asked for a motion to call the meeting of the SONYMA Mortgage Insurance Committee to order. Mr. Olczak made the motion and Mr. Kapell seconded the motion. Mr. Ballan voted aye; Ms. Visnauskas voted aye; Chairman Adams voted aye. Mr. Valella noted the presence of a quorum for the MIF.

Mr. Valella asked for a motion to call to order the meetings of the State of New York Mortgage Agency Finance and Program Committee. Chairman Adams made the motion and Mr. Olczak seconded. Mr. Valella noted the presence of a quorum for the State of New York Mortgage Agency Finance and Program Committee.

Mr. Valella asked for a motion to call the meeting of the HFA ,HTFC and AHC Boards to order. Mr. Olczak made the motion and Ms. McKeown seconded. Mr. Curtis voted aye; Ms. Visnauskas voted aye; Chairman Adams voted aye; Mr. McIntyre voted aye. Mr. Valella noted the presence of a quorum for these Agencies.

Ms. Visnauskas then made her President's Report.

Ms. Visnauskas noted that the agenda for today's meetings covers a variety of programs and also highlights two major announcements made during the last month.

She noted that two weeks into July the Agencies have already conducted groundbreakings for Pilgrim Village, a very large \$93 million project that has more than 90 units of affordable and senior units in Buffalo near the hospital, as well as a ribbon cutting for Harbor View Square which involves the new construction of 76 affordable apartments in Oswego—a project that also is a Brownfields site and a tax credit recipient.

Ms. Visnauskas also noted the announcement last week of the 9% tax credit awards, where the Agencies awarded \$104 million to create and preserve more than 800 affordable apartments as part of 16 different projects across the state. She noted that the Governor has made it clear that the housing plan is a priority, and these 9% awards are a very big part of that, and part of our long-term strategy to expand affordable housing while also driving economic development across the State.

She noted that as part of the Housing Plan we will continue to see many supportive services in these projects, targeting priority populations, all advancing our goals around broadband, our goals around the greenhouse gas emissions and the Governor's agenda. These housing investments will also inject a total of \$371 Million into local economies, leveraging over \$250 Million in public and private resources.

Ms. Visnauskas then went on to summarize items on the agenda which deal some important investments for land banks. She noted that staff is seeking approval for funding through Legacy Cities for the development of one- and two-family homes in Syracuse. These are land bank properties that our programs are using to get the land back into productive use and into housing.

Ms. Visnauskas stated that the 2nd item is the introduction of the land bank initiative, which is a new funding source from the budget this year for land banks that operate primarily in communities that have high concentrations of Beacon properties. Many of these properties were the result of the 2008 foreclosure crisis. She noted that in 2012 there were 10 land banks across the state and that now there are 26, located throughout the State, from Long Island up to Buffalo, and partnering with governmental entities to strengthen communities by acquiring, stabilizing and redeveloping properties, thereby partnering with governmental entities to strengthen communities.

As a result, blighted and abandoned properties are restored to productive use and in most cases are returned to the local property tax rolls today. It is estimated that these activities by land banks across the State generate over \$250 Million in private investment. Ms. Visnauskas noted that so far, we estimate that land banks have demolished over 1200 blighted structures and have brought back 2400 properties into productive use. The land bank initiative is \$50 Million as part of the budget this year. That will assist those organizations in their mission.

For our part, Ms. Visnauskas noted, phase 1 will include \$10 Million to allow the land banks to fund some of their day-to-day operations, property management, technical assistance, and planning. And then we will continue with additional funding later this year as well as into next year. We are doing this very much in consultation with the land bank associations to ensure that we align with their needs and they with ours.

Chairman Adams then moved to **Item 1 on the agenda: He noted that the transcript of the meetings held on June 9, 2022 shall be deemed approved, absent corrections from Members and Directors.**

Chairman Adams then moved to the next items on the agenda.

**Item 2: Approval of resolution adopting written procedures governing Board member participation in Board meetings under certain extraordinary circumstances.**

Mr. Valella presented this item. He stated that recent legislation amended the Open Meetings law to permit Board members to participate in board meetings under extraordinary circumstances by video conference without providing members of the public access to the location where the board member is participating. Mr. Valella noted that under the law as it existed prior to the onset of the COVID crisis, board members could participate in meetings in person or via video, as long as the public could join the board members at every location. The new amendments, which will become effective after the COVID executive order permitting

video meetings expires, will allow board members to vote, but not to count for quorum, without public access to their locations, as long as the Agencies vote, after a hearing, to approve written procedures governing such participation.

Mr. Valella noted that the Agency had held a public hearing, after public notice, and had prepared written procedures for the extraordinary participation, which procedures are before the Boards for a vote.

Mr. Ballan asked how this is being handled at other authorities. Mr. Valella noted that the same process was being followed at authorities and state agencies, as well as towns and municipalities throughout the State.

Mr. Ballan noted his support for flexibility, particularly as he was participating in this meeting from his home, but he added that he was concerned about possible lack of transparency as important government business is conducted without public access.

Mr. Valella noted that the Open Meetings web site contains Frequently Asked Questions on this topic as well as model procedures and added that this change is not automatic, meaning that any Board member who wishes to take advantage of the exemption will need to contact the Chairman and Counsel in advance and explain how the extraordinary circumstances are included within those categories that the law permits and that the Chair and Counsel have the authority to deny requests which they feel are outside the exemption.

Mr. Valella noted that the fact that a board member participating in this way will be doing so on video and will be seen by the members of the public who are required to be given access to the video feed goes a long way toward ensuring transparency.

Mr. Ballan noted those points but reiterated his belief that in person contact between Board members where they are in the same room is an important part of the work of the Boards and that this would be missed if these exemptions are used.

Ms. Visnauskas noted that assuming the COVID executive order is not extended, starting next board meetings the Boards would be meeting in person or via video where the public has access and that this change would only apply to those board members who could prove they qualified for the exemption granted by statute.

Mr. Ballan proposed adopting the resolution but only for a trial period, to see how it operates in practice once we go back to public meetings. Mr. Kapell agreed with that proposal, as did Chairman Adams, with no objection to the proposal from the rest of the Board.

Mr. Valella moved for adoption of the resolution transmitted in connection with this item, as revised to reflect the Board's determination that the resolution should only be effective for a six (6) month period commencing on the date of the first Board meeting where the Boards are required to meet without benefit of the current COVID open meetings law exemption.

Considering the first and second motion for HFA, SONYMA, AHC and HTFC, Mr. Valella asked all HFA, SONYMA, AHC and HTFC members voting to approve to signify by saying aye. The motion was carried, and the resolution was adopted.

Chairman Adams then noted that the next item is **Item 3: Approval of resolutions of the SONYMA Finance and Program Committee and of the SONYMA Board recommending and authorizing the issuance of bonds.**

Mr. Valella summarized the item for the Board and Committee noting that this was SONYMA's yearly request for bonding approval, done in this way to permit the Agency flexibility in issuing bonds throughout the year, up to the maximum amounts authorized under the Resolutions. He noted that unlike HFA, SONYMA projects are not approved individually by the Board. SONYMA purchase mortgage loans on a daily basis from banks throughout the State and funds the purchases through bond issues, carried out 3 to 4 times a year. Mr. Valella added that PACB votes to approve a resolution authorizing the bond issuances, and that the State Comptroller approves all bond sales.

Considering the first and second motions for the SONYMA Finance and Program Committee, Mr. Valella asked the Committee members voting to approve to signify by saying aye. The motion was carried, and the resolution was adopted.

Considering the first and second motions for SONYMA, Mr. Valella asked the Board members voting to approve to signify by saying aye. The motion was carried, and the resolution was adopted.

Chairman Adams moved to **Item 4: Authorization of the SONYMA CRF to enter the ReGAIN CRF FUND I partnership, with the CPC and PPM, to purchase a pool of 120 non-performing loans from Fannie Mae, with a capital commitment from the SONYMA CRF of \$6,000,000, and approval of Amendment #3 of the Operating Agreements of NJCC-NYS Community Restoration Fund LLC and NJCC-NYS Erie Community Restoration Fund LLC.**

Ms. Wieder presented the item, summarizing the work of the SONYMA CRF and asking the Board to approve certain amendments to prior agreements as well as the commitment of funds to purchase non-performing loans from FANNIE MAE.

Considering the first and second motions for SONYMA, Mr. Valella asked the Board members voting to approve to signify by saying aye. The motion was carried, and the resolution was adopted.

Chairman Adams moved on to the next item which he noted was an Information item. **Item 5: Current Agency procurements/contracts in the Lobbying Restricted Period**

Chairman Adams moved to the items requiring Mortgage Insurance Committee action:

**Item 6: Resolution of the SONYMA Mortgage Insurance Committee approving a \$450,000 increase on a \$2,500,000 CPC permanent first mortgage loan to an aggregate amount of \$2,950,000 for the Monroe Building, Buffalo, Erie County.**

Mr. Friedman presented the item.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee, Mr. Valella asked all SONYMA Committee members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted.

Chairman Adams stated that the next two (2) items were shared by the Mortgage Insurance Committee and by SONYMA:

**Item 7: Resolutions of the SONYMA Mortgage Insurance Committee and of the SONYMA Board recommending and approving 100% mortgage insurance on a \$7,550,000 CPC permanent first mortgage loan for Samaritan Cluster project, Bronx, Bronx County.**

Mr. Friedman presented the project, summarizing the Board memo.

Chairman Adams noted that Board member Elaine Gross's organization, Erase Racism, has once again provided the Board with a summary of the fair housing impacts associated with each of the projects before the Board for approval, so Board members could take that information into account as they reviewed each of the projects.

Chairman Adams noted that Ms. Gross was not able to attend today's meetings, but he once again wanted to express his appreciation for the valuable information provided by her organization.

Mr. Kapell commented on the bullet point in the memorandum provided to the Board in connection with this item, relating to the breakeven analysis. He noted that it states that the project will break even with a 7% increase in operating expenses. Mr. Kapell stated that given the current inflationary environment this seemed a bit of a leap of faith.

Chairman Adams agreed with Mr. Kapell's comment on the inflationary impact, not just on this project but on all projects coming before the Boards, given the current economic situation.

Mr. Friedman noted that the project summary explains that the project is underwritten without considering the New York City rent subsidy, because there's no contract that ensures the continuation of the subsidy for the life of the mortgage. He added that the actual projected rent is appreciably higher than 7%, assuming the City makes its subsidy payments.

Mr. Valella moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee and the SONYMA Board, Mr. Valella asked all SONYMA directors and

Committee members voting to approve to signify by saying aye. The motions were carried, and the resolutions adopted.

Chairman Adams noted that the next item was:

**Item 8: Resolutions of the SONYMA Mortgage Insurance Committee and of the SONYMA Board recommending and approving 100% mortgage insurance on a \$8,250,000 CPC permanent first mortgage loan for the Wheeler Building project in Yonkers, Westchester County.**

Mr. Friedman presented the project, summarizing the Board memo.

Mr. Valella moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA Mortgage Insurance Committee and the SONYMA Board, Mr. Valella asked all SONYMA directors and Committee members voting to approve to signify by saying aye. The motions were carried, and the resolutions adopted.

Chairman Adams noted that the next item had been sent to Board members by separate cover and had not been included in the original agenda for today's meeting.

**New Item: Authorization to amend the Master License Agreement with Compircus, Inc.**

Ms. Pagnozzi presented the item.

She stated that staff was requesting approval to amend the contract which was approved last month for a 4-year period. As background to the request she stated that SONYMA issues variable rate debt bonds periodically to fund mortgage loan purchases. The issuance of these types of bonds requires market data to compute the amount of interest payable on the bonds since these bonds have variable rates that reset on a daily, weekly and monthly basis, and require a great deal of work on a reoccurring monthly cycle to properly calculate bond payments. Without some process of automation, the risk of miscalculation and subsequent over and under payment of bonds payable exists. She added that the data quality is also improved through automation in a process similar to what is done at commercial banks.

She stated that in 2021, HFA and SONYMA entered into a Master License Agreement with Compircus for the procurement of two software products or "bolt-ons" for the existing SAP build that HFA manages that allow off-the-shelf functionality critical to the Agencies' functioning.

Staff now wishes to activate two additional modules, 1) the Financial Adapter module which allows for the integration of SAP to import financial market data from Bloomberg and 2) a Financial Reclassification module which facilitates the reclassification of investments and debts instruments from long term to short term.

Staff also wishes to engage Compiricus for enhanced support of these modules and the SAP Treasury module (SAP-TRM) that benefits from them. The activation cost of the Financial Adaptor for Bloomberg Security is \$2,000 and the subscription for the enhanced maintenance support for the financial adaptor and LT/ST reclassification is \$1,000 per month plus \$130 per hour for actual hours used. The contract included a, include a software license for free 81,050 dollars and annual maintenance set at 18,000.

In June 9, 2022, the HFA Members authorized extending the contract with Compiricus for a four-year period. Authorization to extend the contract with Compiricus is being presented to the SONYMA Directors for approval for a further four-year period. In addition, authorization to (i) activate the financial adaptor for Bloomberg security in an amount not to exceed \$2,000 and (ii) purchase a subscription for the enhanced maintenance support for the financial adaptor and LT/ST reclassification at the cost of \$1,000 per month plus \$130 per hour for actual hours used, is being presented to the HFA Members and SONYMA Directors for approval.

Mr. Valella moved for adoption of the resolutions transmitted in connection therewith. Considering the first and second motions previously entered for the SONYMA and for HFA, Mr. Valella asked all SONYMA and HFA members and directors voting to approve to signify by saying aye. The motions were carried, and the resolution adopted.

Chairman Adams noted that the next item is an information item:

**ITEM 9. MIF June 2022 Activity Report.**

Chairman Adams noted that there being no further business for the SONYMA Board, Mr. Valella would ask for a motion and a second to adjourn those meetings. Mr. Valella noted that, assuming the first and second previously entered for the SONYMA, all in favor of adjourning, please signify by saying Aye. The motion was carried. The meetings were adjourned. Mr. Valella noted that the next SONYMA Board meeting is scheduled for Thursday, September 9, at 8:30 a.m.

Chairman Adams moved to the next item on the agenda.

**Item 10: Resolution of the HFA Members authorizing an amount not to exceed \$20,283,860 in HFA subsidy funds for River View Towers, City of New York New York County.**

Mr. Hubley presented.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for HFA, Mr. Valella asked all HFA members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted.

Chairman Adams moved on to the next item on the agenda.



**Item 11: Resolution authorizing award of grant funds for certain projects under the Buffalo Emergency Repair Program.**

Mr. Martello summarized the item which involves granting the President and CEO authority to approve grants for projects for the Buffalo Emergency Repair Program. He stated that all selected projects must comply with State environmental review processes and requirements and that signoffs from HFA's construction and environmental services unit will be required. AHC will conduct SEQRA review on each project. Projects which are classified as TYPE II do not require action by the Members. To the extent that AHC Members are required to adopt a finding on any individual project, such SEQRA recommendation will be forwarded to the Board for adoption individually. AHC will ensure that federal environmental guidelines and procedures are followed, and appropriate sign-offs received from HUD prior to funding of any project where applicable.

Mr. Martello noted that AHC will ensure that staff funding decisions will conform with the parameters presented to the Members in the memorandum included in the Board book. AHC staff will vet proposals and present recommendations to AHC's credit committee according to existing process and procedures. In an effort to facilitate the quick delivery of these funds, staff recommends that the Members delegate to the President and Chief Executive Officer or her designee, the ability to directly approve new AHC grants and to increase the amount of prior AHC awards for projects in the East Side of Buffalo, provided such awards comply with Program requirements.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for AHC, Mr. Valella asked all AHC members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted.

Chairman Adams moved to the next item, which is an **AHC Consent item**.

**ITEM 12: Resolution authorizing award of grant funds for certain projects.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for AHC, Mr. Valella asked all AHC members voting to approve to signify by saying aye. The motion was carried, and the resolution adopted unanimously.

Chairman Adams noted that there being no further business for the HFA, HTFC and AHC Boards he would ask Mr. Valella to take the steps to adjourn the meetings. Mr. Valella asked for a motion and a second to adjourn those meetings. The motion was carried. The meetings were adjourned. Mr. Valella noted that the next HFA, HTFC and AHC Board meetings are scheduled for Thursday, September 8, at 8:30 a.m.